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PATENT
Attorney Docket No.: 020375-003300US

TOWNSEND and TOWNSEND and CREW LLP

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re application of:	Confirmation No. 6495
Colleen George	Examiner: Bayat, Bradley B.
Application No.: 10/079,927	Art Unit: 3621
Filed: February 19, 2002	SUBSTITUTE APPEAL BRIEF UNDER 37 CFR §41.37
For: SYSTEMS AND METHODS FOR OPERATING LOYALTY PROGRAMS	

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

       Appellant offers this Brief in support of the Notice of Appeal mailed April 24, 2007.

1. Real Party in Interest

       The real party in interest is First Data Corporation.

2. Related Appeals and Interferences

No prior or pending appeals, interferences, or judicial proceedings are known that are related to, will directly affect, will be directly affected by, or have a bearing on the Board decision in this appeal.

3. Status of Claims

Claims 1, 4, 6 – 14, 19, and 21 – 30 are pending in the application and stand rejected pursuant to a Final Office Action mailed December 26, 2006 ("the Office Action"). Original Claims 2, 3, 5, 15 – 18, and 20 have been canceled.

The rejections of each of Claims 1, 4, 6 – 14, 19, and 21 – 30 are believed to be improper and are the subject of this appeal.

4. Status of Amendments

No amendments have been submitted subsequent to the mailing of the Office Action.

5. Summary of Claimed Subject Matter

The claimed invention relates to consumer transactions, specifically to the operation of loyalty programs in connection with consumer transactions (Application, p. 1, ll. 6 – 8). Recent years have seen a steady proliferation of loyalty programs offered to consumers (*id.*, p. 1, ll. 10 – 11). What is generally common about such loyalty programs is that they offer an incentive designed to encourage customers to conduct business preferentially with one organization rather than with competitor organizations (*id.*, p. 1, ll. 11 – 14). But outside of that common feature, loyalty programs take a variety of different forms. One deficiency that results from the variety of different loyalty programs is that it constrains the flexibility of the system — loyalty programs frequently suffer from an inability to provide rewards quickly, are constrained

to the use of a specific type of tender, or suffer from other limitation that reduces the acceptability of the loyalty program (*id.*, p. 1, l. 29 – p. 2, l. 4).

Embodiments of the invention achieve greater flexibility in the implementation of loyalty programs by integrating the loyalty programs with a financial infrastructure. A general structure by which this is done is illustrated schematically in Fig. 2 of the application. Point-of-sale terminals (*id.*, Fig. 2, elements 208) may be widely distributed geographically and configured to interact with any of several types of payment options (*id.*, Fig. 2, elements 202, 204, and 206; p. 6, ll. 19 – 26). The point-of-sale terminals are also in communication with a loyalty switch (*id.*, Fig. 2, element 212) that receives an electronic packet as part of a transaction (*id.*, p. 7, ll. 4 – 8). The loyalty switch is capable of interaction with a loyalty host (*id.*, Fig. 2, element 216) that is used in administration of the loyalty system (*id.*, p. 2, ll. 18 – 29) or with an authorization authority (*id.*, Fig. 2, element 220) that is used in administration of other (nonloyalty) aspects of the transaction (*id.*, p. 7, ll. 31 – 34). This ability to coordinate disparate aspects of a transaction provides enhanced flexibility to the system in accommodating different types of loyalty programs and implementing them within the context set forth by a financial infrastructure.

a. Independent Claim 1

Independent Claim 1 is a method claim that recites a method for operating a loyalty program integrated with a financial infrastructure. A transaction instruction initiated by a customer at a merchant point-of-sale device disposed at a merchant point of sale is received at a loyalty host system (*id.*, Fig. 3, block 304; p. 8, ll. 6 – 7). The loyalty host system determines whether the customer and merchant are participants in the loyalty program (*id.*, Fig. 3, blocks 308 and 312; p. 8, ll. 7 – 9). The loyalty host system executes a loyalty process in accordance with the loyalty program if the customer and merchant are participants in the loyalty program (*id.*, p. 8, ll. 15 – 17). The loyalty process includes augmenting a stored point total for the customer by an augmentation amount in accordance with the application of administration criteria to the transaction instruction (*id.*, p. 1, ll. 14 – 16; p. 4, ll. 28 – 30; *see also* original Claim 6). The transaction instruction is transmitted to the financial infrastructure with a request

for approval of the transaction instruction (*id.*, Fig. 3, block 324; p. 8, ll. 23 – 24). A denial of the transaction instruction is received from the financial infrastructure, causing the loyalty host to back out of the loyalty process by decrementing the stored point total for the customer by the augmentation amount after receiving the denial (*id.*, Fig. 3, blocks 332 and 340; p. 8, ll. 23 – 26). The denial of the transaction instruction is transmitted to the merchant point-of-sale device (*id.*, Fig. 3, block 344; p. 8, ll. 24 – 26).

b. Independent Claim 6

Independent Claim 6 is a method claim for operating a loyalty system. Administration criteria are maintained at a loyalty host system for each of a plurality of distinct loyalty programs comprised by the loyalty system (*id.*, p. 7, ll. 23 – 25). Transaction information is received at the loyalty host system from a merchant point-of-sale device disposed at a merchant point of sale for a transaction between a customer and a first merchant enrolled in at least one of the loyalty programs (*id.*, p. 7, ll. 4 – 8). A point total for the customer is augmented in accordance with the transaction information and with the administration criteria for the at least one of the loyalty programs (*id.*, p. 1, ll. 14 – 16; p. 4, ll. 28 – 30). The transaction information is transmitted to a financial infrastructure with a request for approval of the transaction (*id.*, Fig. 3, block 324; p. 8, ll. 23 – 24). An approval of the transaction is received from the financial infrastructure and transmitted to the point-of-sale device (*id.*, p. 9, ll. 4 – 8). The augmented point total is available to be applied by the customer towards a reward from a second merchant (different from the first merchant) enrolled in the at least one of the loyalty programs substantially immediately after execution of the transaction (*id.*, p. 8, ll. 17 – 19).

c. Independent Claim 19

Independent Claim 19 is an apparatus claim directed to a computer-readable storage medium that has a computer-readable program for implementing a method generally similar to that recited in independent Claim 1. The program directs operation of a computer system (*id.*, Fig. 4A, block 216) that includes a communications system (*id.*, Fig. 4A, block 406),

a processor (*id.*, Fig. 4A, block 401), and a storage device (*id.*, Fig. 4A, block 404). The computer-readable program includes instructions for operating the computer system for operating a loyalty program integrated with a financial infrastructure (*id.*, p. 9, ll. 10 – 22). A transaction instruction initiated by a customer at a merchant point-of-sale device disposed at a merchant point of sale is received over the communications system (*id.*, Fig. 3, block 304; p. 8, ll. 6 – 7). A determination is made whether the customer and merchant are participants in the loyalty program (*id.*, Fig. 3, blocks 308 and 312; p. 8, ll. 7 – 9). A loyalty process is executed in accordance with the loyalty program if the customer and merchant are participants in the loyalty program (*id.*, p. 8, ll. 15 – 17). The loyalty process includes augmenting a stored point total for the customer by an augmentation amount in accordance with the application of administration criteria to the transaction instruction (*id.*, p. 1, ll. 14 – 16; p. 4, ll. 28 – 30; *see also* original Claim 6). The transaction instruction is transmitted to the financial infrastructure over the communications system with a request for approval of the transaction instruction (*id.*, Fig. 3, block 324; p. 8, ll. 23 – 24). A denial of the transaction instruction is received from the financial infrastructure over the communications system, causing the loyalty process to be backed out by decrementing the stored point total for the customer by the augmentation amount after receiving the denial (*id.*, Fig. 3, blocks 332 and 340; p. 8, ll. 23 – 26). The denial of the transaction instruction is transmitted over the communications system to the merchant point-of-sale device (*id.*, Fig. 3, block 344; p. 8, ll. 24 – 26).

d. Independent Claim 22

Independent Claim 22 is an apparatus claim directed to a computer-readable storage medium that has a computer-readable program for implementing a method generally similar to that recited in independent Claim 6. The program directs operation of a loyalty host system (*id.*, Fig. 4A, block 216) that includes a communications system (*id.*, Fig. 4A, block 406), a processor (*id.*, Fig. 4A, block 401), and a storage device (*id.*, Fig. 4A, block 404). The computer-readable program includes instructions for operating the loyalty host system (*id.*, p. 9, ll. 10 – 22). Administration criteria are stored on the storage device for each of a plurality of distinct loyalty programs comprised by the loyalty system (*id.*, p. 7, ll. 23 – 25). Transaction

information is received over the communications system from a merchant point-of-sale device disposed at a merchant point of sale for a transaction between a customer and a first merchant enrolled in at least one of the loyalty programs (*id.*, p. 7, ll. 4 – 8). A point total for the customer is augmented in accordance with the transaction information and with the administration criteria for the at least one of the loyalty programs (*id.*, p. 1, ll. 14 – 16; p. 4, ll. 28 – 30). The transaction information is transmitted to a financial infrastructure over the communications system with a request for approval of the transaction (*id.*, Fig. 3, block 324; p. 8, ll. 23 – 24). An approval of the transaction is received from the financial infrastructure over the communications system and transmitted to the point-of-sale device (*id.*, p. 9, ll. 4 – 8). The augmented point total is available to be applied by the customer towards a reward from a second merchant (different from the first merchant) enrolled in the at least one of the loyalty programs substantially immediately after execution of the transaction (*id.*, p. 8, ll. 17 – 19).

e. Independent Claim 25

Independent Claim 25 is an apparatus claim directed to a loyalty host system. The system comprises a communications interface (*id.*, Fig. 4A, block 406), a storage device (*id.*, Fig. 4A, block 404), a processor in communication with the communications interface and the storage device (*id.*, Fig. 4A, block 401), and a memory coupled with the processor (*id.*, Fig. 4A, block 409). The communications interface is configured for exchanging information with a plurality of merchants and a plurality of issuers who issue instruments to customers participating in at least one of the loyalty programs. The memory comprises a computer-readable storage medium having a computer-readable program embodied therein for direction operation of the loyalty host system (*id.*, p. 9, ll. 10 – 22). Instructions are provided for storing administration criteria on the storage device for each of a plurality of distinct loyalty programs comprised by the loyalty system (*id.*, p. 7, ll. 23 – 25). Instructions are provided for receiving transaction information over the communications system from a merchant point-of-sale device disposed at a merchant point of sale for a transaction between a customer and a first merchant enrolled in at least one of the loyalty programs (*id.*, p. 7, ll. 4 – 8). Instructions are provided for augmenting a point total for the customer in accordance with the transaction information and with the

administration criteria for the at least one of the loyalty programs (*id.*, p. 1, ll. 14 – 16; p. 4, ll. 28 – 30). Instructions are provided for transmitting the transaction information to a financial infrastructure over the communications interface with a request for approval of the transaction (*id.*, Fig. 3, block 324; p. 8, ll. 23 – 24). Instructions are provided for receiving an approval of the transaction from the financial infrastructure over the communications interface and for transmitting it to the point-of-sale device (*id.*, p. 9, ll. 4 – 8). The augmented point total is available to be applied by the customer towards a reward from a second merchant (different from the first merchant) enrolled in the at least one of the loyalty programs substantially immediately after execution of the transaction (*id.*, p. 8, ll. 17 – 19).

6. Grounds of Rejection to be Reviewed on Appeal

        a. A prior amendment is objected to as introducing new matter. Although styled as an "objection" under 35 U.S.C. §132(a) rather than more conventionally as a rejection under 35 U.S.C. §112, ¶1, the question is nonetheless an appealable one because the alleged new matter was introduced to the claims. MPEP 608.04(c).

        b. Whether Claims 1 and 19 are unpatentable under 35 U.S.C. §112, ¶1. No such rejection was made in the application, but the Examiner requested that this be identified as a ground of rejection to be reviewed on appeal because of the nature of the argument presented below. Notice of Non-Compliant Appeal Brief mailed November 2, 2007.

        c. Claims 1, 6, 19, 22, and 25 stand rejected under 35 U.S.C. §112, ¶2 as indefinite.

        d. Claims 1, 4, 6 – 14, 19, and 21 – 30 stand rejected under 35 U.S.C. §102(e) as anticipated by U.S. Pat. Publ. No. 2001/0054003 ("Chien").

7. Argument

> a. No new matter has been added by amendment

The objection under 35 U.S.C. §132(a) is facially improper: "An applicant is entitled to claims as broad as the prior art and his disclosure will allow. The proper basis for rejection of a claim amended to recite elements thought to be without support in the original disclosure, therefore, is Section 112, first paragraph, not Section 132." *In re Rasmussen*, 650 F.2d 1212, 211 USPQ 323, 326 (CCPA 1981). Accordingly, Applicants provide the argument in section b below as best able to respond to the objection that new matter has been added to the claims by amendment.

> b. Claims 1 and 19 are patentable over 35 U.S.C. §112, ¶1

The Office Action objects specifically to use of the phrases "augmentation amount," "backing out of the loyalty process," "decrementing the stored point total," and "denial of the transaction instruction" in various of the claims. In evaluating whether new matter has been added to claims, it has long been accepted that "the description need not be in *ipsis verbis* [i.e., in the same words]" to be sufficient." *Martin v. Johnson*, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972). Instead, the relevant inquiry is whether "each claim limitation [is] expressly, implicitly, or inherently supported in the originally filed disclosure." MPEP 2163.05. Notably, in the context of enablement issues, the MPEP provides guidance to patent applicants that "[a] patent need not teach, and preferably omits, what is well known in the art." MPEP 2164.01, *citing In re Buchner*, 929 F.2d 660, 661, 18 USPQ2d 1331, 1332 (Fed. Cir. 1991) and other cases. "Any part of the specification can support an enabling disclosure, even a background section that discusses, or even disparages, the subject matter disclosed therein." In this instance, each of the claim limitations objected to by the Office Action is supported by the original disclosure.

The Application generally explains that it describes methods and systems that build on conventional loyalty programs in which "a customer is credited with a number of points

for each transaction" (Application, p. 1, l. 15) that is executed, thereby providing an "augmentation amount" applied to a stored point total as recited in the claims. The mere fact that the exact phrase "augmentation amount" does not explicitly appear in the specification does not in any way diminish the simple fact that the application of such an augmentation amount is disclosed.

The other phrases objected to by the Office Action relate generally to the process of backing out of a loyalty transaction when a transaction instruction is denied. The Application explicitly shows backing out of a loyalty transaction at block 340 of Fig. 3 and describes such a procedure at p. 8, ll. 24 – 26 as being performed in response to a transaction being declined. While the Office Action is not clear on precisely why the phrases are deemed unacceptably to be drawn to new matter, it is perhaps based on the fact that the language used in the specification is very slightly different than the claim language, referring to a "loyalty transaction" instead of a "loyalty process" and referring to "declin[ing of] the loyalty transaction" instead of "denial of the transaction instruction." But in addition to this disclosure in the specification, the application included explicit disclosure of these limitations in originally filed Claim 5 using the same language: "… further comprising backing out of the loyalty process if authorization for the transaction instruction is denied." It is well accepted that the originally filed claims form part of the disclosure of an application; the mere incorporation of limitations of original Claim 5 into other claims by amendment manifestly does not amount to the introduction of new matter. *See generally In re Rasmussen*, 650 F.2d 1212, 211 USPQ 323, 325 (CCPA 1981).

The remaining phrase identified by the Office Action as having the effect of introducing new matter into the application is "decrementing the stored point total." But this does nothing more than recite a reversal of the augmentation of a stored point total described in the application for implementing a loyalty transaction. It is plainly implicit in the disclosure of the function at block 340 of Fig. 3 directed to backing out of a loyalty transaction that this is achieved by reversing the action taken to implement the loyalty transaction. No one of skill in the art would fail to understand that this is how backing out of a loyalty transaction is achieved. All the introduction of the particular language has done is to make explicit what was previously implicit. Such clarification is well recognized to be permissible and does not amount to the introduction of new matter.

b. The claims are definite

The rejections under 35 U.S.C. §112, ¶2 are based on use of the terms "augmentation amount" and "backing out" in the claims. These terms have been discussed above in the context of the new-matter rejections, with that discussion providing some illustration of how the terms are well defined in the context of the specification. What is particularly relevant in considering these rejections, though, is the fact that neither of these terms is used in isolation in the claims; instead, the terms are used as part of language that makes unambiguous what is being claimed.

"The examiner's focus during examination of the claims for compliance with the requirement for definiteness ... is whether the claim meets the threshold requirements of clarity and precision, not whether more suitable language or modes of expression are available." MPEP 2173.02. In the case of "augmentation amount," the term is used as part of a broader limitation in each of independent Claims 1 and 19 requiring that "the loyalty process include[] augmenting a stored point total for the customer by an augmentation amount in accordance with the application of administration criteria to the transaction instruction." When considered in its entirety, this limitation unambiguously defines the "augmentation amount" as that amount by which the stored point total is augmented in accordance with certain administration criteria. No other interpretation is possible and the limitation comports fully with public-policy objectives by defining what aspect of a loyalty process would constitute infringement of the limitation — it must be a loyalty process that includes augmentation of a stored point total in accordance with administration criteria, the specific level of augmentation being referred to in the claim as the "augmentation amount."

Similarly, the phrase "backing out" is defined in independent Claims 1 and 19 as occurring "by decrementing the stored point total for the customer by the augmentation amount after receiving the denial of the transaction instruction." Again, consideration of the limitation in its entirety makes unambiguous what is meant by the phrase "backing out" and satisfies public-policy goals by providing notification of precisely what activity infringes the limitation — that activity must decrement a stored point total by the augmentation amount after receiving denial of

a transaction instruction. No other interpretation is possible in light of the specific and definite language of the claims.

While the Office Action rejects Claims 1, 6, 19, 22, and 25 on this basis, it is only Claims 1 and 19 that use either phrase specifically identified in the Office Action. Since no other basis is provided for finding Claims 6, 22, or 25 to be indefinite, it is respectfully believed that the rejection of those claims under 35 U.S.C. §112, ¶2 is either erroneous or improper.

c. None of the pending claims is anticipated by Chien

For a rejection to be maintained under §102, the Examiner is charged with establishing that every limitation recited in the claims is taught in the cited reference, either expressly or inherently. MPEP 2131. At least certain limitations of each of the independent claims are not taught or suggested by Chien.

With respect to independent Claims 1 and 19, the Office Action asserts that the claim limitations related to backing out of a loyalty transaction are disclosed at ¶¶ 11, 52, 69, and 73 of Chien. But each of these paragraphs in Chien is related to the use of loyalty points in executing a transaction. They do not teach or suggest decrementing the stored point total by a previously applied augmentation amount "after receiving the denial of the transaction instruction" as required by the claims.

With respect to independent Claims 6, 22, and 25, the Office Action notes the disclosure in Chien of a loyalty system that may be used with a group of merchants. But while this disclosure arguably allows loyalty points earned at one merchant to be used at another, there is no teaching or suggestion that such points be available for application by the customer at a second merchant "substantially immediately" after being earned at a first merchant.

Since limitations of the independent claims are not disclosed in the cited art, those claims are patentable over that art. Furthermore, the various dependent claims are patentable over

8. Conclusion

Appellant believes that the above discussion is fully responsive to all grounds of rejection set forth in the application. Please deduct the requisite fee of $500.00 pursuant to 37 I.E. §1.17(c) from Deposit Account 20-1430 and any additional fees that may be due in association with the filing of this Brief.

Respectfully submitted,

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CLAIMS APPENDIX

The claims pending in the application are as follows:

1. (Previously Presented) A method for operating a loyalty program integrated with a financial infrastructure, the method comprising:

receiving, at a loyalty host system, a transaction instruction initiated by a customer at a merchant point-of-sale device disposed at a merchant point of sale;

determining, with the loyalty host system, whether the customer and merchant are participants in the loyalty program;

executing, with the loyalty host system, a loyalty process in accordance with the loyalty program if the customer and merchant are participants, wherein the loyalty process includes augmenting a stored point total for the customer by an augmentation amount in accordance with the application of administration criteria to the transaction instruction;

transmitting, with the loyalty host system, the transaction instruction to the financial infrastructure with a request for approval of the transaction instruction;

receiving, with the loyalty host system, a denial of the transaction instruction from the financial infrastructure;

backing out of the loyalty process, with the loyalty host system, by decrementing the stored point total for the customer by the augmentation amount after receiving the denial of the transaction instruction; and

transmitting, with the loyalty host system, the denial of the transaction instruction to the merchant point-of-sale device.

2. – 3. (Canceled)

4. (Previously Presented) The method recited in claim 1 wherein executing the loyalty process comprises transmitting an instruction to the merchant to

provide a reward to the customer immediately at the point of sale in accordance with the loyalty program.

5. (Canceled).

6. (Previously Presented) A method for operating a loyalty system, the method comprising:

maintaining, at a loyalty host system, administration criteria for each of a plurality of distinct loyalty programs comprised by the loyalty system;

receiving transaction information, at the loyalty host system from a merchant point-of-sale device disposed at a merchant point of sale, for a transaction between a customer and a first merchant enrolled in at least one of the loyalty programs;

augmenting, with the loyalty host system, a point total for the customer in accordance with the transaction information and with the administration criteria for the at least one of the loyalty programs;

transmitting, with the loyalty host system, the transaction information to a financial infrastructure with a request for approval of the transaction;

receiving, with the loyalty host system, an approval of the transaction from the financial infrastructure; and

transmitting, with the loyalty host system, the approval of the transaction to the point-of-sale device,

wherein the augmented point total is available to be applied by the customer towards a reward from a second merchant enrolled in the at least one of the loyalty programs substantially immediately after execution of the transaction, the second merchant being different from the first merchant.

7. (Previously Presented) The method recited in claim 6 wherein the transaction information identifies an issuer of an instrument used by the customer to participate in the at least one of the loyalty programs.

8. (Previously Presented) The method recited in claim 7 wherein the first and second merchants assign different values to the point total, the method further comprising performing point-settlement functions among the merchants with the loyalty host system.

9. (Previously Presented) The method recited in claim 7 further comprising providing a report regarding point status to the issuer with the loyalty host system.

10. (Original) The method recited in claim 7 wherein the instrument comprises a magnetic-stripe card.

11. (Original) The method recited in claim 7 wherein the instrument comprises a chip card.

12. (Previously Presented) The method recited in claim 6 further comprising transmitting an instruction from the loyalty host system to the second merchant to provide the reward in response to receiving the transaction information for the transaction between the customer and the first merchant.

13. (Previously Presented) The method recited in claim 6 further comprising providing details of the customer's status within the at least one of the loyalty programs to the customer with the loyalty host system.

14. (Original) The method recited in claim 13 wherein the details are provided over the internet.

15. – 18. (Canceled).

19. (Previously Presented) A computer-readable storage medium having a computer-readable program embodied therein for directing operation of a computer system including a communications system, a processor, and a storage device, wherein the computer-readable program includes instructions for operating the computer system for operating a loyalty program integrated with a financial infrastructure in accordance with the following:

receiving, over the communications system, a transaction instruction initiated by a customer at a merchant point-of-sale device disposed at a merchant point of sale;

determining whether the customer and merchant are participants in the loyalty program from data stored on the storage device;

executing a loyalty process with the processor in accordance with the loyalty program if the customer and merchant are participants, wherein the loyalty process includes augmenting a stored point total for the customer by an augmentation amount in accordance with the application of administration criteria to the transaction instruction;

transmitting, over the communications system, the transaction instruction to the financial infrastructure with a request for approval of the transaction instruction;

receiving, over the communications system, a denial of the transaction instruction from the financial infrastructure;

backing out of the loyalty process by decrementing the stored point total for the customer by the augmentation amount after receiving the denial of the transaction instruction; and

transmitting, over the communications system, the denial of the transaction instruction to the merchant point-of-sale device.

20. (Canceled).

21. (Previously Presented) The computer-readable storage medium recited in claim 19 wherein executing the loyalty process comprises transmitting an instruction over the communications system to the merchant to provide a reward to the customer immediately at the point of sale in accordance with the loyalty program.

22. (Previously Presented) A computer-readable storage medium having a computer-readable program embodied therein for directing operation of a loyalty host system including a communications system, a processor, and a storage device, wherein the computer-readable program includes instructions for operating the loyalty host system for operating a loyalty system in accordance with the following:

storing administration criteria on the storage device for each of a plurality of distinct loyalty programs comprised by the loyalty system;

receiving transaction information, over the communications system from a merchant point-of-sale device disposed at a merchant point of sale, for a transaction between a customer and a first merchant enrolled in at least one of the loyalty programs;

augmenting a point total for the customer in accordance with the transaction information and with the administration criteria for the at least one of the loyalty programs;

transmitting, with the communications system, the transaction information to a financial infrastructure with a request for approval of the transaction;

receiving, with the communications system, an approval of the transaction from the financial infrastructure; and

transmitting, with the communications system, the approval of the transaction to the point-of-sale device,

wherein the augmented point total is available to be applied by the customer towards a reward from a second merchant enrolled in the at least one of the loyalty programs substantially immediately after execution of the transaction, the second merchant being different from the first merchant.

23. (Original) The computer-readable storage medium recited in claim 22 wherein the first and second merchants assign different values to the point total, the computer-readable program further including instructions for performing point-settlement functions among the merchants.

24. (Original) The computer-readable storage medium recited in claim 22 wherein the computer-readable program further includes instructions for transmitting an instruction to the second merchant over the communications system to provide the reward in response to receiving the transaction information for the transaction between the customer and the first merchant.

25. (Previously Presented) A loyalty host system for operating a loyalty system including a plurality of distinct loyalty programs, the loyalty host system comprising:

a communications interface configured for exchanging information with a plurality of merchants and a plurality of issuers who issue instruments to customers participating in at least one of the loyalty programs;

a storage device;

a processor in communication with the communications interface and the storage device; and

a memory coupled with the processor, the memory comprising a computer-readable storage medium having a computer-readable program embodied therein for directing operation of the loyalty host system, the computer-readable program including:

instructions for storing administration criteria on the storage device for each of the plurality of distinct loyalty programs;

instructions for receiving transaction information, over the communications interface from a merchant point-of-sale device disposed at a merchant

point of sale, for a transaction between a customer and a first merchant enrolled in at least one of the loyalty programs;

instructions for augmenting a point total for the customer in accordance with at least one of the loyalty programs

instructions for transmitting, over the communications interface, the transaction information to a financial infrastructure with a request for approval of the transaction;

instructions for receiving, over the communications interface, an approval of the transaction from the financial infrastructure; and

instructions for transmitting, over the communications interface, the approval of the transaction to the point-of-sale device,

wherein the augmented point total is available to be applied by the customer towards a reward from a second merchant substantially immediately after execution of the transaction, the second merchant being different from the first merchant.

26. (Previously Presented) The loyalty host system recited in claim 25 wherein the first and second merchants assign different values to the point total, the computer-readable program further including instructions for performing point-settlement functions among the merchants.

27. (Previously Presented) The loyalty host system recited in claim 25 wherein the computer-readable program further includes instructions for transmitting an instruction to the second merchant over the communications interface to provide the reward in response to receiving the transaction information for the transaction between the customer and the first merchant.

28. (Previously Presented) The loyalty host system recited in claim 25 wherein the computer-readable program further includes instructions for transmitting the

transaction information over the communications interface to at least one of the issuers to
seek authorization for the transaction.

29. (Previously Presented) The loyalty host system recited in claim 28
wherein the computer-readable program further includes instructions for deaugmenting
the point total for the customer if authorization for the transaction is denied by the issuer.

30. (Previously Presented) The loyalty host system recited in claim 25
wherein the communications interface is further configured such that information
exchanged with at least one of the issuers is exchanged through an intermediary issuer
association.

EVIDENCE APPENDIX

Not included.

RELATED PROCEEDINGS APPENDIX

Not included.